

Briggs Equipment UK Limited  
Annual report and financial statements  
for the year ended 31 December 2020

Registered number: 05895588



**Briggs Equipment UK Limited**

**Annual report and financial statements  
for the year ended 31 December 2020**

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## **Briggs Equipment UK Limited**

### **Strategic report for the year ended 31 December 2020**

The directors present their strategic report on the Briggs Equipment UK Limited Group ('the Group') for the year ended 31 December 2020.

#### **Principal activities**

The principal activities of the Group are the sale, servicing and leasing of materials handling equipment, hire of plant and tools and other associated equipment.

#### **Review of the business**

The performance in 2020 was impacted by the COVID-19 pandemic, however we are very pleased with how the business reacted and adapted to the new ways of working that ensued, following the instructions provided by Government to operate safely.

Following the initial UK Government's Lockdown that was announced in March 2020 our main concern was the safety of both our employees and customers followed by taking the necessary steps to secure the long-term future of the business. To secure employment we utilised the UK Government's Coronavirus Job Retention Scheme and the Irish Government's Employment Wage Subsidy Scheme (previously known as the Temporary Wage Subsidy Scheme). In addition, we managed our cashflow by restricting capital expenditure to support new business growth only and focused operational expenditure only to that required to keep our customer's operational.

Following the initial period of uncertainty, we established that our diverse customer base allowed our services to be classified as essential under the Government's guidelines. After a short period of materially reduced activity levels, all our lines of business showed strong resilience, with revenue growing steadily throughout the year. We gradually returned employees from the previously mentioned UK Coronavirus Job Retention Scheme and the Irish Government's Employment Wage Subsidy Scheme with minimal reliance on these schemes at year end.

We incurred a £1,126,000 exceptional cost, included within administrative expenses on the Statement of Comprehensive Income, as we reduced our staffing levels through a voluntary early retirement scheme and minimal redundancies.

Overall revenues declined by 4.3% over 2019 although our EBITDA return on turnover improved to 34% from 32% in 2019, reflecting the benefit of reducing our operational expenditure.

Our strong cash management also resulted in us reducing our net debt by £32,800,000 over the previous year, exiting the year with a net debt of £223,200,000.

As the business recovered during the year, we also recommenced our acquisition strategy and we further expanded our product offering and geographic penetration with the acquisition of GFL Holdings Limited on 10 October 2020, increasing our capability and customer base in Wales.

#### **Charitable donations**

Charity continues to be a key element of the culture of the Group. During the year, the Group donated over £130,000 for both local and national charities.

## **Briggs Equipment UK Limited**

### **Strategic report for the year ended 31 December 2020 (continued)**

#### **Principal risks and uncertainties**

##### *COVID 19 – Coronavirus Pandemic*

As mentioned in the Review of the business our key priority was the safety of both our employees and our customers. Whilst the Pandemic conditions continue through 2021, we have seen the demand for our services continue to improve and the Directors are satisfied that they are returning to near pre-Pandemic levels. As our services have been classified as Essential, the Directors are satisfied that the business continues to trade on a Going Concern basis and forecast a material improvement in the financial performance of the Group for the financial year ending 31 December 2021.

The Group is in a strong financial position with the £285,000,000 Asset Backed Loan facility from the syndicate of six banks. All covenants are tested regularly and there is no forecasted breach of agreement in the next 12 months.

##### *Brexit*

In 2020 we maintained our readiness for the end of the transition period on 31 December 2020 in the form of increased spare part stockholding and working with our suppliers to maintain the import of parts from within EU.

The supply chain was affected from the introduction of new customs rules on the movement of equipment and parts into the UK, but we have adapted our processes to minimise the impact on our business. We continue to develop expertise in this area.

#### **Future developments**

Our medium-term forecast indicates that we will see a material improvement in revenues and earnings in both 2021 and 2022. Our parent remains supportive and injected £18,000,000 of equity in 2020 for business growth and has injected a further £17,000,000 during 2021 for the following acquisitions and a Joint Venture investment:

1. On 7 April 2021, the Group completed the acquisition of 100% of the share capital of Balloo Hire Limited, operating in the Republic of Ireland.
2. On 7 April 2021, the Group completed the acquisition of 100% of the share capital of Laois Hire Services Limited, operating in the Republic of Ireland.
3. On 1 June 2021, the Group commenced a joint venture, AmeyBriggs, with Amey Community Limited a subsidiary of Amey PLC to provide Materials Handling and Construction equipment and associated services to the UK Ministry of Defence for an initial contract period of seven years with options for the customer to extend through three annual one year extensions.
4. On 18 June 2021, the Group completed the acquisition of 100% of the share capital of J.B. Plant Hire Limited and J.B. Plant Hire (Dungannon) Limited, operating in Northern Ireland.

We delayed creating a new five year strategy during the pandemic and are currently working on a revised plan that will incorporate a substantial investment into a Digital Transformation Program that will focus on delivering an improved customer offering, developing our people, and improving the capital efficiency of our assets. In addition, we intend to add further acquisitions as appropriate opportunities are identified.

#### **Financial risk management**

The Group's operations expose it to a variety of financial risks which include foreign exchange risk, interest rate risk, liquidity risk and credit risk. The procedures implemented to effectively manage these risks are

## Briggs Equipment UK Limited

### Strategic report for the year ended 31 December 2020 (continued)

#### Financial risk management (continued)

detailed below.

##### *Foreign exchange risk*

A proportion of the Group's equipment and parts purchases are denominated in Euros. In addition, certain transactions with other group companies are denominated in both US dollars and Euros. The Group actively monitors currency movements and, where appropriate, utilises derivatives to mitigate downside risk.

##### *Credit risk*

The effects of credit risk are controlled as the Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is proactively monitored and is subject to a limit, which is regularly reassessed. The Board receives regular reports on amounts due and amounts significantly overdue and the appropriate actions are taken.

##### *Liquidity risk*

Detailed cash flow forecasts are prepared to assess the Group's cash requirements. Funding is obtained principally through an Asset Backed Loan facility led by Wells Fargo. The Group proactively assesses and manages its cash requirements and its available facilities to ensure sufficient funds are available at all times.

##### *Interest rate risk*

The Group's borrowings are subject to variable interest rates. The Group has continued with the interest hedging derivative programme entered into in the prior year, minimising the risk of adverse rate movements.

#### Key performance indicators ("KPIs")

The Group's strategy is one of growth combined with improved profitability and cash generation. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year, together with comparative data for the previous year, is set out in the table below:

KPI	2020	2019	Definition, method of calculation and analysis
(Reduction)/Growth in turnover (%)	(4.3%)	21%	Year on year turnover growth expressed as a percentage. Turnover decreased in the year as result of the impact of the COVID-19 pandemic.
EBITDA return on turnover (%)	34%	32%	EBITDA return on turnover is the ratio of operating profit before amortisation and depreciation on ordinary activities expressed as a percentage of turnover. This ratio improved in the year primarily reflecting the actions taken to control costs.
Working capital ("Quick") ratio	1.2	1.2	Working capital ratio of current assets to current liabilities. Inventory and debtor management maintained a relatively static performance in the year.

**Statement of the directors in performance of their statutory duties in accordance with Section 172**

The Board of Directors (the "Board") confirm it has performed its duties in respect of Section 172 of the Companies Act 2006. Specifically, the Board has considered the long-term factors affecting the Company and its strategic direction. The Board has engaged with the Company's stakeholders which assists the Board in its decision-making process and in fulfilling its duty to promote the success of the Company as set out in Section 172.

The Board has fulfilled their duties as follows:

On an ongoing basis, the Board assesses the major risks affecting the Company and develops appropriate responses to address those risks in an efficient and effective manner. This is taken into consideration when setting goals, budgets and forecasting financial performance. This ensures that the Company understands the financial impact of such risks and can respond to these on a timely basis.

*Employees*

Employees are key to our success. The Company engages with employees on a regular basis. Regular communications are issued and meetings held to cover a range of topics such as health and safety, financial performance, outlook and training opportunities. The Company monitors staff turnover to understand the reasons why staff have opted to pursue alternative career opportunities. The Company invests in employee training and development and has a successful apprenticeship program.

*Business relationships*

We aim to exceed our customers' expectations, through regular communication and delivering high quality products and services to our customers. We continually seek to enhance our products and services to maintain our strong business relationships with our existing and potential customers.

*Suppliers*

All of our suppliers are integral to the success of the Company and we have regular ongoing dialogue with our supply chain.

*Communities*

The Company is committed to making a positive contribution to the local community and the environment. Charity is a key element of the culture of the group, partnering with a national charity to raise funds each year but also continuing to be involved in more local projects. We also aim to reduce the Company's impact on the environment, for example, through energy saving initiatives and waste reduction.

*Shareholders*

The Company is part of a wider group and maintains regular ongoing dialogue with its parent company.

*Regulators*

The board ensures the company is in compliance with all regulatory requirements. In particular, ensuring compliance with health and safety regulations and the Modern Slavery Act.

**Briggs Equipment UK Limited**

**Strategic report  
for the year ended 31 December 2020 (continued)**

Approved by the board of directors and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'P B Jones', written over a horizontal line.

P B Jones  
Director

28<sup>th</sup> September 2021

## **Briggs Equipment UK Limited**

### **Directors' report for the year ended 31 December 2020**

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2020.

#### **Future developments**

An indication of future developments of the business is included in the Strategic Report on page 4.

#### **Share capital**

As disclosed in note 21, the Company issued share capital of £18,000,000 during the year.

#### **Dividends**

The directors do not recommend the payment of a dividend (2019: no dividend paid).

#### **Financial risk management**

Financial risk management is described in the Strategic Report on page 4.

#### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P B Jones  
D Ash  
H L Kreager

#### **Company secretary**

The position of Company secretary during the year and up to the date of signing the financial statements was fulfilled by:

I Wilton

#### **Directors' indemnities**

The Group maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

#### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee consultation**

The Group maintains a policy of regular consultation and discussion with its employees by means of periodic employee surveys, meetings and newsletters on a wide range of issues that are likely to affect their interests and ensures that all employees are aware of the financial and economic performance of their business units and of the Group as a whole.

## **Briggs Equipment UK Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

#### **Statement of engagement with suppliers, customers and others in a business relationship with the Group**

We aim to exceed our customers' expectations. The Company seeks to achieve this through regular communication and delivering high quality products and services to our customers. We continually try to enhance our products and services to maintain our strong business relationships with our existing and potential customers.

All of our suppliers are integral to the success of the Company and we have regular ongoing dialogue with our supply chain.

#### **Post balance sheet events**

On 7 April 2021, the Group completed the acquisition of 100% of the share capital of Balloo Hire Limited, operating in the Republic of Ireland.

On 7 April 2021, the Group completed the acquisition of 100% of the share capital of Laois Hire Services Limited, operating in the Republic of Ireland.

On 1 June 2021, the Group commenced a joint venture, AmeyBriggs with Amey Community Limited a subsidiary of Amey PLC to provide Materials Handling and Construction equipment and services to the UK Ministry of Defence for an initial contract period of seven years with options for the customer to extend through three annual one year extensions.

On 18 June 2021, the Group completed the acquisition of 100% of the share capital of J.B. Plant Hire Limited and J.B. Plant Hire (Dungannon) Limited, operating in Northern Ireland.

#### **Going concern**

The directors have adopted the going concern basis in preparing these financial statements (see note 3).

#### **Branches outside the UK**

The Group has operations in the Republic of Ireland.

## Briggs Equipment UK Limited

### Directors' report for the year ended 31 December 2020 (continued)

#### Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting ("SECR") policy was implemented on 1 April 2019. This is the Group's first-time adoption of disclosures on energy and carbon. The table below represents the Group's energy use and associated greenhouse gas ("GHG") emissions from electricity and fuel in the UK and the Republic of Ireland for the year ended 31 December 2020. The data covers 31 sites in the UK and Republic of Ireland.

#### Greenhouse gas emissions and energy use data for the period of 1 January 2020 to 31 December 2020

UK and Republic of Ireland Energy consumption	2020
Energy consumption used to calculate emissions (kWh)	21,206,277
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>	
Purchased Gas	479
Other fuels	108
Group vehicles	2,529
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e (location based)</b>	
Purchased electricity	611
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>	
Employee cars	16
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>3,743</b>
<b>Intensity ratio total tonnes CO<sub>2</sub>e per employee</b>	<b>2</b>

#### Methodology

The Group reports on energy consumption in the UK and associated GHG emissions in compliance with the SECR legislation for large unquoted companies. Additionally, energy consumptions and associated GHG emissions from Group operations in Republic of Ireland are also reported on a voluntary basis.

#### Scope

The scope includes solely UK and Republic of Ireland operations and all Group entities on a consolidated basis: Briggs Equipment UK Limited, Briggs Equipment Ireland Limited, Hitec Lift Trucks Limited, Hiremech Limited, Balloo Hire Centre Limited, Northern Forklifts (Scotland) Limited and Gwynedd Forklifts Limited. Reported energy consumption and associated carbon emissions include gas and electricity consumption in Groups facilities in the UK and Republic of Ireland as well as fuel consumption from transport. Transport includes Group leased cars, vans, lorries and business travel in employee owned vehicles.

#### Period

The reported figures cover the period from 1 January 2020 to 31 December 2020, in line with the financial reporting period.

## **Briggs Equipment UK Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

#### **Streamlined Energy and Carbon Reporting (continued)**

##### **Calculation methodology**

The reporting methodology used is GHG Protocol Corporate Accounting and Reporting Standard, using the operational control approach. Reported figures are based on actual data and estimates.

Electricity and gas consumption data comes from meter readings and invoices provided by energy suppliers. Where actual data is not available, estimates based on average consumption have been used. Company cars and van data is collected via mileage. Business travel from employee owned car data is based upon mileage claim records.

Emission factors used to calculate GHG emissions for the UK come from the UK Department of Business Energy and Industrial Strategy ("BEIS 2020") and from leasing contracts for leased cars and vans. Emission factors used to calculate GHG emissions for Republic of Ireland come from the Sustainable Energy Authority of Ireland ("SEAI").

Scope 1 includes emissions associated with gas consumption and other fuel purchased by the Group. It also includes emissions associated with Group leased cars and vans. Refrigerant leakage is not material and excluded from Scope 1. Scope 2 includes emissions associated with electricity consumption and is calculated based on the location-based approach. Scope 3 includes emissions associated with business travel in employee owned cars. The intensity ratio presented is calculated based on total tonnes CO<sub>2</sub>e emissions divided by the average number of employees in the UK and Republic of Ireland in the reporting period.

As 2020 is the first year of SECR reporting for the Group, no prior year data is reported.

In previous years the Group has invested in energy efficient lighting in its core facilities and in 2020 the Group commenced an installation of a Vehicle Management System in all the commercial and company car fleet. The business case was approved based on reduced fuel consumption from a combination of reducing speed, harsh driving events and lower levels of engine idling. The impact of this will be fully reported upon in the 2021 SECR statement.

##### **Efficiency measures**

To date the Group have carried out the following to increase energy efficiency:

- replacement of all lighting with LED at the main depot locations: Abingdon, Cannock and Cumbernauld, partial completion at Haydock and Maidenhead.
- standardised air conditioning controls to maintain optimum conditions.
- optimised heating to maintain more efficient temperature to avoid overheating
- formalised energy management monitoring and measuring through sole supplier for more accurate measurement at all Company Depots.
- implement "follow you print" card access to reduce accidental over printing, reducing number of printers required.
- started to phase out all vans with emissions ratings greater than 180gCO<sub>2</sub>/km for those with lower emissions.
- installed vehicle telematics system on the car and van fleet with in-cab coaching system.
- installed GPS tracking through telematics allowing for more effective engineer dispatch, monitoring and measurement of journeys.
- introduction of full electric and plug in hybrid vehicles to their company car list.

## Briggs Equipment UK Limited

### Directors' report for the year ended 31 December 2020 (continued)

#### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Group Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

#### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the board of directors and signed on their behalf by:



P. B. Jones  
Director

28<sup>th</sup> September 2021

## **Briggs Equipment UK Limited**

### **Independent auditors' report to the members of Briggs Equipment UK Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Briggs Equipment UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Group and Company Statement of financial position as at 31 December 2020; Group Statement of Comprehensive Income, Group Statement of Changes in Equity and Group Cash flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Briggs Equipment UK Limited**

### **Independent auditors' report to the members of Briggs Equipment UK Limited (continued)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

## **Briggs Equipment UK Limited**

### **Independent auditors' report to the members of Briggs Equipment UK Limited (continued)**

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to general laws and regulations applicable to all companies, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting unusual journal entries to increase fixed fixed assets and accounts receivables to manipulate results to gain additional access to the drawdown facility provided. Further considering management bias in accounting estimates. . Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance over compliance with general laws and regulations applicable to all companies; including consideration of actual or potential litigation and claims;
- Identifying and testing unusual journal entries to increase fixed fixed assets and accounts receivables to manipulate results to gain additional access to the draw down facility provided;
- Challenging assumptions and judgements made by management on their significant accounting estimates;
- Review of senior management minutes and new significant contracts within the business; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Briggs Equipment UK Limited

### Independent auditors' report to the members of Briggs Equipment UK Limited (continued)

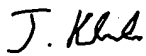
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jas Khela (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
29th September 2021

## Briggs Equipment UK Limited

### Group Statement of comprehensive income for the year ended 31 December 2020

		2020	2019 (Restated)
	Note	£000	£000
<b>Turnover</b>	5	<b>265,812</b>	277,732
Cost of sales		<b>(191,481)</b>	(206,770)
<b>Gross profit</b>		<b>74,331</b>	70,962
Distribution costs		<b>(9,454)</b>	(4,068)
Administrative expenses	6	<b>(59,721)</b>	(51,653)
Other operating income	7	<b>5,434</b>	-
<b>Operating profit</b>	8	<b>10,590</b>	15,241
Interest payable and similar charges	10	<b>(6,303)</b>	(8,254)
<b>Profit before taxation</b>		<b>4,287</b>	6,987
Tax on profit	11	<b>(2,608)</b>	(3,473)
<b>Profit for the financial year</b>		<b>1,679</b>	3,514
Other comprehensive income / (expense)		<b>458</b>	(506)
<b>Total comprehensive income for the financial year</b>		<b>2,137</b>	3,008

The above results all relate to continuing operations.

The prior year comparatives have been restated:

- i. to separately show Distribution costs which were previously shown in Administrative expenses and Cost of sales. There is no impact on the total Group profit and total comprehensive income for the financial year 2019 as a result of this restatement.
- ii. to reflect the recognition of the cumulative translation of £506,000 in other comprehensive income/(expense), recognised within retained earnings in the previous year's Statement of Financial Position. There is no impact on the total Group profit for the financial year 2019 as a result of this restatement, although total comprehensive income for 2019 is now reported as £506,000 lower than in the previous year.

The notes on pages 22 to 61 are an integral part of these financial statements.

**Briggs Equipment UK Limited**

**Group and Company Statements of financial position  
as at 31 December 2020**

		Group		Company	
	Note	2020 £000	2019 £000	2020 £000	2019 £000
<b>Fixed assets</b>					
Intangible assets	12	25,089	26,357	3,434	4,924
Tangible assets	13	344,446	347,852	283,448	297,637
Investments	14	-	-	50,528	41,785
		<b>369,535</b>	374,209	<b>337,410</b>	344,346
<b>Current assets</b>					
Inventories	15	24,202	28,070	20,332	25,406
Debtors	16	68,360	65,159	69,353	68,866
Cash at bank and in hand		5,960	4,512	2,270	1,672
		<b>98,522</b>	97,741	<b>91,955</b>	95,944
<b>Creditors: amounts falling due within one year</b>	17	<b>(85,358)</b>	(81,135)	<b>(64,358)</b>	(60,533)
<b>Net current assets</b>		<b>13,164</b>	16,606	<b>27,597</b>	35,411
<b>Total assets less current liabilities</b>		<b>382,699</b>	390,815	<b>365,007</b>	379,757
<b>Creditors: amounts falling due after more than one year</b>	17	<b>(220,392)</b>	(250,430)	<b>(202,998)</b>	(238,475)
<b>Provisions for liabilities</b>	19	<b>(3,593)</b>	(1,808)	<b>(1,052)</b>	-
<b>Net assets</b>		<b>158,714</b>	138,577	<b>160,957</b>	141,282
<b>Capital and reserves</b>					
Called up share capital	21	115,400	97,400	115,400	97,400
Retained earnings		43,314	41,177	45,557	43,882
<b>Total equity</b>		<b>158,714</b>	138,577	<b>160,957</b>	141,282

The company profit for the year is £1,675,000 (2019: £4,771,000).

The financial statements on pages 17 to 61 were approved by the board of directors on 28<sup>th</sup> September 2021 and were signed on its behalf by:



P. B. Jones  
Director

Registered Number: 05895588

**Briggs Equipment UK Limited**

**Group Statement of changes in equity  
for the year ended 31 December 2020**

	Note	Called- up share capital £000	Retained earnings £000	Total equity £000
			Restated	Restated
Balance at 1 January 2019		69,800	38,169	107,969
Profit and total comprehensive income for the year as originally presented		-	3,514	3,514
Restatement of cumulative translation	3	-	(506)	(506)
Restated Profit and total other comprehensive income		-	3,008	3,008
Issue of new Share Capital		27,600	-	27,600
<b>Balance as at 31 December 2019</b>		<b>97,400</b>	<b>41,177</b>	<b>138,577</b>
Balance at 1 January 2020		97,400	41,177	138,577
Profit for the year		-	1,679	1,679
Other comprehensive income		-	458	458
Issue of new Share Capital	21	18,000	-	18,000
<b>Balance as at 31 December 2020</b>		<b>115,400</b>	<b>43,314</b>	<b>158,714</b>

The notes on pages 22 to 61 are an integral part of these financial statements.

The prior year comparatives have been restated to reverse the recognition of the cumulative translation of £506,000 reported in retained earnings in the previous year's statement. This is now recognised within other comprehensive income / (expense) on the Statement of Comprehensive Income.

**Briggs Equipment UK Limited****Company Statement of changes in equity  
for the year ended 31 December 2020**

	Note	Called- up share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019		69,800	39,111	108,911
Profit and total comprehensive income for the year		-	4,771	4,771
Issue of new Share Capital		27,600	-	27,600
<b>Balance as at 31 December 2019</b>		<b>97,400</b>	<b>43,882</b>	<b>141,282</b>
Balance at 1 January 2020		97,400	43,882	141,282
Profit and total comprehensive income for the year		-	1,675	1,675
Issue of new Share Capital	21	18,000	-	18,000
<b>Balance as at 31 December 2020</b>		<b>115,400</b>	<b>45,557</b>	<b>160,957</b>

The notes on pages 22 to 61 are an integral part of these financial statements.

**Briggs Equipment UK Limited**

**Group Cash flow Statement  
for the year ended 31 December 2020**

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Net cash inflow from operating activities</b>	22		<b>98,924</b>		77,844
Taxation paid			<b>(4,145)</b>		(3,350)
<b>Net cash generated from operating activities</b>			<b>94,779</b>		74,494
<b>Cash flow from investing activities</b>					
Purchase of businesses	27	<b>(7,970)</b>		(33,598)	
Purchase of intangible assets		<b>(14)</b>		(174)	
Purchase of tangible fixed assets		<b>(84,253)</b>		(100,225)	
Proceeds from disposals of tangible fixed assets		<b>21,070</b>		18,273	
<b>Net cash used in investing activities</b>			<b>(71,167)</b>		(115,724)
<b>Cash flow from financing activities</b>					
Receipt/(repayment) of inter-company loans with Parent	22	<b>215</b>		(216)	
Repayment/(receipt) of asset backed borrowings	22	<b>(31,213)</b>		14,976	
Repayment of other borrowings	22	<b>(3,253)</b>		(3,504)	
Interest paid		<b>(5,913)</b>		(7,621)	
Proceeds from ordinary share capital issue		<b>18,000</b>		27,600	
<b>Net cash (used in)/generated from financing activities</b>			<b>(22,164)</b>		31,235
<b>Net increase/(decrease) of cash and cash equivalents</b>			<b>1,448</b>		(9,995)
<b>Cash and cash equivalents at beginning of the year</b>			<b>4,512</b>		14,507
<b>Cash and cash equivalents at end of the year</b>			<b>5,960</b>		4,512
Cash and cash equivalents consist of:					
		<b>2020 £000</b>		<b>2019 £000</b>	
Cash at bank and in hand		<b>5,960</b>		4,512	
<b>Cash and cash equivalents</b>		<b>5,960</b>		4,512	

The notes on pages 22 to 61 are an integral part of these financial statements.

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **1 General Information**

The principal activity of Briggs Equipment UK Limited ("the Company") is the sale, servicing and leasing of materials handling equipment and other associated equipment.

The general business model of the Company and "the Group" (defined as the Parent Company, Briggs Equipment UK Limited, and all of its wholly owned subsidiary undertakings) is to buy assets outright and then lease them onto customers under long term full maintenance agreements or short-term hire agreements. After completion of an assets initial life within the Group (whether on long term or short term hire), the strategy is to "second life" the asset within the Group and to that end the Group has acquired a number of businesses that operate in segments (both geographic and market) that enable this objective to be fulfilled. The nature of this business model and its associated arrangements mean that assets are owned and controlled by the Group for the vast majority of their useful economic lives and as such that substantially all the risks and rewards of ownership of an asset generally reside with the Company or the Group, and consequently these arrangements are treated as operating leases.

The Company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is Orbital 7, Orbital Way, Cannock, Staffordshire, WS11 8XW.

#### **2 Statement of compliance**

The financial statements of Briggs Equipment UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

##### **Prior period adjustments**

The distribution costs were previously shown in administrative expenses and cost of sales. This has now been amended and shown separately resulting in a restatement of 2019 balances. There is no impact on the total Group profit and total comprehensive income for the financial year 2019 as a result of this restatement.

There has been a restatement to the Statement of Comprehensive Income and Statement of Changes in Equity to reflect the recognition of the cumulative translation of £506,000 in other comprehensive income/(expense), recognised within retained earnings in the previous year's Statement of Financial Position. There is no impact on the total Group profit for the financial year 2019 as a result of this

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **3 Summary of significant accounting policies (continued)**

##### **Prior period adjustments (continued)**

restatement, although total comprehensive income for 2019 is now reported as £506,000 lower than in the previous year.

##### **Basis of consolidation**

The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings. Intra group sales and profits are fully eliminated on consolidation.

As a consolidated Group profit and loss is published, a separate profit and loss account for the Company is not presented with the Group financial statements, as permitted by section 408 of the Companies Act 2006.

##### **Going concern**

The Group meets its day to day working capital requirements through its available financing facilities. Whilst the current general economic conditions continue to create general economic uncertainty, the Group and Company are seeing increased demand for their services and products. In making their going concern assessment, the Directors have prepared monthly cashflow forecasts and projections to 31 December 2022. After reviewing the Group and Company's forecasts and projections, even allowing for the impact of severe but plausible downside scenarios, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continue to adopt the going concern basis in preparing their financial statements.

##### **Foreign currency**

###### *Functional and presentation currency*

The Company's functional currency is pound sterling which is presented in the financial statements rounded to thousands.

###### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

###### *Translation*

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interests as appropriate.

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **3 Summary of significant accounting policies (continued)**

##### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for goods and services sold, net of discounts, exchange rate differences where sales are conducted in foreign currencies and value added taxes.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods and (c) when the specific criteria relating to each of the Group's sales channels have been met, as described below.

##### *Sale of goods*

The Group sells a range of equipment and parts, with revenue recognised during the period in which the product is delivered, paid and when the significant risks and rewards of ownership of the goods have transferred to the buyer. Sale of goods sales are usually by cash, credit or payment card.

##### *Leasing*

As explained in Note 1, the Company and the Group operates through leasing and rental arrangements that mean assets are owned and controlled by the Group for the vast majority of their useful economic lives and as such that substantially all the risks and rewards of ownership of an asset generally reside with the Company or the Group. Consequently, these arrangements are treated as operating leases. Revenue represents operating lease income for the hire of equipment on a long-term basis. Revenue is billed primarily monthly or quarterly in advance and is recognised in the month of hire and any advance is deferred until the period it relates to. Rental equipment is stated at cost less depreciation.

##### *Sales of services*

Sales of services revenue includes the following:

- Contract hire income for the rental of equipment on a short time basis. Revenue is recognised in the period in which short term hire is provided.
- Maintenance contract revenue where title to the rental asset resides with the Group, revenue is recognised on a straight-line basis over the anticipated period of the contract. Where title to the rental asset does not reside with the Group and the Group is under a contractual obligation to maintain the asset to a pre-defined standard, revenue in respect of maintenance contracts is recognised on the percentage completion methods based on the anticipated cost of repairs over the life cycle of the equipment.
- Engineering services revenue is primarily the repair and maintenance of customer owned equipment, and also the repair of Group owned equipment damaged on either a leasing or contract hire agreement chargeable to the customer. Revenue is recognised in the period in which the engineering service is delivered.

##### *Interest income*

Interest income is recognised using the effective interest rate method.

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **3 Summary of significant accounting policies (continued)**

##### **Exceptional items**

The Group and Company classifies certain one-off charge or credits that have a material impact on the Group and Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group and Company. Examples of such items include one-off significant restructuring costs or one-off major costs resulting from the loss of a significant customer.

##### **Employee benefits**

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

##### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *Defined contribution pension plan*

The Group operates a defined contribution pension plan for its employees. The contributions to the plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group and Company in separately administered funds.

##### **Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### *Current tax*

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

##### *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**3 Summary of significant accounting policies (continued)**

**Business combinations and goodwill**

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Only goodwill has been recognised on all business combinations – no other intangible assets have been recognised within the Group.

Goodwill arises on business combinations and represents the excess of the fair value of directly attributable costs of the purchase consideration over the fair values of the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where it is not possible to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

**Intangible assets**

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Software 3–7 years

Amortisation is included in 'administrative expenses' in the statement of total comprehensive income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- it can be demonstrated how the software will generate probable future economic benefits;

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 3 Summary of significant accounting policies (continued)

##### Intangible assets (continued)

- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

##### Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

Land and buildings include freehold workshops and offices. Land and buildings are stated at cost less accumulated depreciation.

Leasehold improvements, plant and machinery, fixtures and fittings and computer hardware are stated at cost less accumulated depreciation.

Rental equipment is stated at cost less accumulated depreciation. Rental equipment is transferred into tangible assets from inventories at the inception of the associated rental contract and transferred back to inventories at the conclusion of the contract when the equipment is intended for disposal.

Cashflows arising from the acquisition and disposal of rental equipment are disclosed as 'investing activities' within the cashflow statement.

Depreciation is calculated using the straight-line method to allocate cost to the assets' residual values over their estimated useful lives, as follows:

- |                          |                   |
|--------------------------|-------------------|
| • Freehold buildings     | 50 years          |
| • Leasehold improvements | Life of the lease |
| • Plant and machinery    | 3 – 5 years       |
| • Rental equipment       | 3 – 10 years      |
| • Fixtures and fittings  | 5 years           |
| • Computer hardware      | 3 – 7 years       |

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

**3 Summary of significant accounting policies (continued)**

**Leased assets**

**Lessee**

All lease contracts where the Group is a lessee are classified as operating leases.

*Operating leases*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

*Lease incentives*

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight line basis over the period of the lease.

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to first review date on which the rent is adjusted to market rates.

**Lessor**

As described in Note 1, all lease contracts where the Group is a lessor are classified as operating leases as disclosed in revenue recognition.

**Impairment of assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**Inventories**

Inventories are stated at the lower of cost and fair value less costs to sell. For finished products and work in progress, cost consists of raw materials, direct personnel costs, and other direct costs. Provision is made for obsolete or slow moving items where appropriate.

**Provisions and contingencies**

Provisions are recognised when there is a legal or constructive obligation resulting from past events and it is probable that payment will be required to meet the obligation, and that the amount can be calculated in a reliable manner. No provisions are made for future operating losses.

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **3 Summary of significant accounting policies (continued)**

##### **Repurchase commitments**

Certain transactions between the Group and external financing companies can include a commitment from the Group to repurchase assets at the end of associated third party lease agreements. This repurchase liability is matched by an equivalent asset (the repurchased equipment) subject to the repurchase price not exceeding the realisable value of the associated asset. The repurchase commitment is recorded as a creditor in the balance sheet together with an equivalent asset recorded within debtors.

##### **Financial instruments**

The Group has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing arrangement, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Distributions to equity holders**

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders.

These amounts are recognised in the statement of changes in equity.

##### **Related party transactions**

The Group discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

**4 Critical accounting judgements and estimation uncertainty**

Group management and the board of directors make estimates and judgements about the future. These estimates and judgements impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates and judgements are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and judgements that may have a significant effect on the carrying amounts of assets and liabilities within the financial year are:

**Critical judgements in applying the entity's accounting policies**

**I. Leases**

As explained in note 1, all customer leases are treated as operating leases. The Group retains the right to change assets during the course of a lease. The repair and maintenance requirements are at the risk of the Group and there is no right to purchase the asset from the Group at the end of the lease period. Any extensions to leases are solely at the Group's discretion and at rates proposed by the Group at the end of the lease.

The Group also manages the disposal of the assets and the impact of any loss or gain also remains with the Group. In circumstances where the net present value of the minimum lease payments exceeds 90% of the fair value of the underlying asset at the inception of the lease, the Group examines the specific circumstances associated with the lease to ensure its treatment is correct.

There are some arrangements which exhibit characteristics more of being finance leases than operating leases, but in the opinion of the Directors these are very infrequent and immaterial, so accounting for these as operating leases does not have a material impact on these financial statements, so these are also accounted for as operating leases on the grounds of materiality. In making this assessment, the Directors have assessed materiality in the context of these financial statement as equating to 2.0% of reported turnover.

**II. Tangible and intangible assets**

Tangible and intangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Amortisation and depreciation take place over the estimated useful life, down to the assessed residual value. The carrying amount of the Group's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

**III. Acquisition goodwill**

Goodwill is stated at cost less accumulated amortisation. Goodwill is amortised over its expected useful life. Where it is not possible to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **4 Critical accounting judgements and estimation uncertainty (continued)**

##### **Critical judgements in applying the entity's accounting policies (continued)**

###### **IV. Impairment**

The investment value of acquired businesses is evaluated at the point of acquisition to measure whether any separate intangible asset (e.g. trademarks) exists and to recognise the value in excess of net assets as goodwill. The value of any intangible assets recognised at acquisition is periodically reviewed for impairment purposes.

###### **V. Investment**

Investments in subsidiary companies are held at cost less impairment. A judgement made by the Directors in preparing these financial statements is in relation to their assessment that the carrying value of the investments is not impaired, and that the value in use expectation of future cash flows associated with the investments' assets is a sufficiently robust and reliable measure, particularly when individual investments are loss making. This judgement is also underpinned by a commitment from the parent company to provide financial support to loss making businesses to cover any funding gaps howsoever they arise for at least the next 12 months.

##### **Critical accounting estimates and assumptions**

###### **I. Investment (note 14)**

On an ongoing basis the Directors assess the carrying value of investments in subsidiaries for impairment. In assessing the recoverability of such amounts, and in calculating whether an impairment provision is required, the Directors make assumptions regarding the future trading performance of the subsidiary entity. Such forecasts are subject to actual performance and in uncertain times, such as the current COVID 19 pandemic, actual results and cashflows may be different to the Directors' best estimate. The Directors also consider the estimated recoverable amount of the subsidiary based on multiples of EBITDA. Such multiples are subject to changing industry trends and market demand.

###### **II. Inventory (note 15)**

The cost of inventory and associated provisioning are considered regularly. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability and usage of finished goods and future usage of component parts.

###### **III. Dilapidation (note 19)**

Dilapidations costs are estimated based on the opinions and judgement of external professional advisors, to determine the work that would need to be undertaken on an individual property basis.

###### **IV. Depreciation (note 13)**

Depreciation is calculated using the straight-line method to allocate cost to the assets' residual values over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**4 Critical accounting judgements and estimation uncertainty (continued)**

**Critical accounting estimates and assumptions (continued)**

V. Impairment

The Group's management annually reviews the valuation model that supported the initial investment to review if an impairment exists. The model uses a combination of historical actual performance and forecasts to determine future expected cashflows.

No impairment was identified as being required to be booked for the year ending 31 December 2020.

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 5 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the principal activities of the Group being the sale, servicing and leasing of materials handling equipment, hire of plant and tools and other associated equipment. An analysis of turnover by geography and category is given below:

Analysis of turnover by geography:

	2020 £000	2019 £000
Europe	13,385	16,267
Rest of world	39	91
Total exports	13,424	16,358
United Kingdom	252,388	261,374
	265,812	277,732

Analysis of turnover by category:

	2020 £000	2019 £000
Sale of goods	62,645	81,439
Leasing	80,362	76,525
Services	122,805	119,768
	265,812	277,732

#### 6 Exceptional items

	2020 £000	2019 £000
Restructuring costs	1,126	-
	1,126	-

Exceptional items have been included within administrative expenses. At the end of 2020 the Group ran a voluntary early retirement scheme in conjunction with a small number of redundancies following some restructuring activities.

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**7 Other operating income**

<b>Group</b>	<b>2020 £000</b>	<b>2019 £000</b>
Furlough contribution to wages and salaries	<b>5,048</b>	-
Furlough contribution to social security costs	<b>307</b>	-
Furlough contribution to other pension costs	<b>79</b>	-
	<b>5,434</b>	-

During the year the Group furloughed a number of its employees for varying periods of time under the UK Government's Coronavirus Job Retention Scheme and under the Ireland Employee Wage Subsidy Scheme. Amounts received by the Group constitute a government grant and as of 31 December 2020, all conditions of both schemes have been met. The Group has recognised income of £5,434,000 in respect of this grant.

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 8 Operating profit

Operating profit is stated after charging/(crediting):

	<b>2020</b>	2019
	<b>£000</b>	£000
Impairment of trade receivables	<b>960</b>	250
Impairment of inventory included in cost of sales	<b>429</b>	353
Amortisation of intangible assets	<b>3,993</b>	3,295
Depreciation of tangible assets	<b>75,794</b>	69,856
Property operating lease charges	<b>2,600</b>	2,563
Other operating lease charges	<b>4,359</b>	4,549
Gain on disposal of tangible fixed assets	<b>(19)</b>	(100)
Foreign exchange gain	<b>(208)</b>	(640)
Dilapidations	<b>960</b>	-
Fees payable to the Company's auditors for the audit of the parent company and group consolidated financial statements	<b>177</b>	174
Fees payable to the Company's auditors for other services:		
- Tax compliance services	<b>103</b>	90
- Tax advisory services	<b>11</b>	-
- Other services	<b>3</b>	3
<b>Total non-audit services</b>	<b>117</b>	93

**Briggs Equipment UK Limited****Notes to the financial statements  
for the year ended 31 December 2020 (continued)****9 Employees and employee benefits****(a) Employees**

<b>Group</b>	<b>2020 £000</b>	<b>2019 £000</b>
Wages and salaries	<b>55,988</b>	51,340
Social security costs	<b>5,285</b>	5,571
Other pension costs	<b>3,149</b>	3,000
<b>Staff costs</b>	<b>64,422</b>	59,911

Other pension costs of £3,149,000 (2019: £3,000,000) relate to the Group's payments in regard to the defined contribution pension schemes.

The average monthly number of persons (including executive directors) employed by the Group during the year was:

<b>By activity</b>	<b>2020 No.</b>	<b>2019 No.</b>
Operational	<b>848</b>	842
Sales	<b>161</b>	157
Administration	<b>554</b>	516
	<b>1,563</b>	1,515

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 9 Employees and employee benefits (continued)

##### (b) Directors

The directors' emoluments were as follows:

	2020 £000	2019 £000
Aggregate emoluments	386	364
Aggregate amounts (excluding shares) receivable under long term incentive schemes	49	95
Group contributions to money purchase pension schemes	-	28
	<b>435</b>	<b>487</b>

The highest paid director's emoluments were as follows:

	2020 £000	2019 £000
Aggregate emoluments	386	364
Aggregate amounts (excluding shares) receivable under long term incentive schemes	49	95
Group contributions to money purchase pension schemes	-	28
	<b>435</b>	<b>487</b>

No directors (2019: £nil) receive shares under a long term incentive scheme.

Key management for the Group are the Executive Team which comprises the highest paid director together with the five other members of the senior leadership team.

**Briggs Equipment UK Limited****Notes to the financial statements  
for the year ended 31 December 2020 (continued)****10 Interest payable and similar expenses**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Interest payable and similar expenses</b>		
Interest payable to group undertakings	<b>200</b>	247
Interest payable on other loans	<b>6,103</b>	8,007
Total interest expense on financial liabilities not measured at fair value through profit and loss	<b>6,303</b>	8,254
<b>Total interest payable and similar expenses</b>	<b>6,303</b>	8,254

**11 Tax on profit****(a) Tax expense included in the group statement of comprehensive income**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Current tax:</b>		
UK Corporation tax on profits for the year	<b>1,626</b>	2,799
Adjustments in respect of prior periods	<b>335</b>	446
<b>Total current tax</b>	<b>1,961</b>	3,245
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<b>(150)</b>	162
Adjustments in respect of prior periods	<b>601</b>	66
Impact of rate change	<b>196</b>	-
<b>Total deferred tax</b>	<b>647</b>	228
<b>Tax on profit</b>	<b>2,608</b>	3,473

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 11 Tax on profit (continued)

##### (b) Reconciliation of tax charge

Tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before taxation	4,287	6,987
Profit before tax multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	815	1,328
Expenses not deductible for tax purposes	924	1,455
Movement in adjustments to tax charge in respect of prior years	560	512
Effect of overseas tax rates	80	84
Unrecognised deferred tax	88	94
Impact of rate change	141	-
<b>Total tax charge for the year</b>	<b>2,608</b>	<b>3,473</b>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £774,000, to increase the deferred tax asset by £91,000 and the liability by £363,000.

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**12 Intangible assets**

Group	Note	Software £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 January 2020		8,369	41,199	49,569
Additions		14	-	14
Acquisitions	27	-	2,709	2,709
Cumulative translation		1	-	1
At 31 December 2020		8,384	43,908	52,293
<b>Accumulated amortisation and impairment</b>				
At 1 January 2020		(8,099)	(15,112)	(23,212)
Amortisation		(88)	(3,905)	(3,993)
Acquisitions	27	-	-	-
Cumulative translation		1	-	1
At 31 December 2020		(8,186)	(19,017)	(27,204)
<b>Net book amount at 31 December 2020</b>		<b>198</b>	<b>24,891</b>	<b>25,089</b>
Net book amount at 31 December 2019		270	26,087	26,357

**Intangible assets**

Company	Software £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 January 2020	8,340	17,419	25,759
Additions	14	-	14
At 31 December 2020	8,354	17,419	25,773
<b>Accumulated amortisation and impairment</b>			
At 1 January 2020	(8,083)	(12,752)	(20,835)
Amortisation	(78)	(1,426)	(1,504)
At 31 December 2020	(8,161)	(14,178)	(22,339)
<b>Net book amount at 31 December 2020</b>	<b>193</b>	<b>3,241</b>	<b>3,434</b>
Net book amount at 31 December 2019	257	4,667	4,924

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**13 Tangible assets**

	Freehold land and buildings	Leasehold improvements	Rental equipment	Plant and machinery	Fixtures and fittings	Computer hardware	Total
Group	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>							
At 1 January 2020	4,293	4,321	591,619	8,280	3,366	5,086	616,965
Additions	27	76	80,137	1,078	203	940	82,461
Reclassification	-	-	14	(42)	28	-	-
Transfers out	-	-	(60,536)	-	-	-	(60,536)
Disposals	-	-	(425)	(421)	-	-	(846)
Acquisitions	1,400	-	7,439	893	53	-	9,785
Cumulative translation	-	5	844	20	19	1	889
At 31 December 2020	<b>5,720</b>	<b>4,402</b>	<b>619,092</b>	<b>9,808</b>	<b>3,669</b>	<b>6,027</b>	<b>648,718</b>
<b>Accumulated Depreciation</b>							
At 1 January 2020	(243)	(3,737)	(253,891)	(4,706)	(2,479)	(4,057)	(269,113)
Charge for the year	(64)	(118)	(73,701)	(1,203)	(294)	(414)	(75,794)
Reclassification	-	-	(19)	32	(13)	-	-
Transfers out	-	-	43,115	-	-	-	43,115
Disposals	-	-	193	362	-	-	555
Acquisitions	-	-	(2,165)	(516)	(19)	-	(2,700)
Cumulative translation	-	(3)	(317)	(12)	(2)	(1)	(335)
At 31 December 2020	<b>(307)</b>	<b>(3,858)</b>	<b>(286,785)</b>	<b>(6,043)</b>	<b>(2,807)</b>	<b>(4,472)</b>	<b>(304,272)</b>
<b>Net book amount at 31 December 2020</b>	<b>5,413</b>	<b>544</b>	<b>332,307</b>	<b>3,765</b>	<b>862</b>	<b>1,555</b>	<b>344,446</b>
Net book amount at 31 December 2019	4,050	584	337,728	3,574	887	1,029	347,852

Rental equipment is leased to customers under operating lease agreements. The rental assets of the Group are pledged as security for the Group's borrowings and are apportioned between the secured asset backed facility and other borrowings.

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 13 Tangible assets (continued)

Transfers out represent transfers of rental equipment to inventory at the end of these operating leases.

Fixed assets are included at full historical cost to the Group or net book value upon acquisition.

The net book value of freehold land and buildings comprises:

<b>Group</b>	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Freehold buildings	<b>4,693</b>	3,330
Freehold land	<b>720</b>	720
<b>Net book value</b>	<b>5,413</b>	4,050

The net book value of leasehold improvements comprises:

<b>Group</b>	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Long leasehold	<b>499</b>	432
Short leasehold	<b>45</b>	152
<b>Net book value</b>	<b>544</b>	584

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**13 Tangible assets (continued)**

	Freehold land and buildings	Leasehold improvements	Rental equipment	Plant and machinery	Fixtures and fittings	Computer and hardware	Total
Company	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>							
At 1 January 2020	4,293	3,494	518,896	2,815	2,811	4,576	536,885
Additions	27	-	65,152	125	157	874	66,335
Transfers out	-	-	(51,720)	-	-	-	(51,720)
Disposals	-	-	(429)	(9)	-	-	(438)
At 31 December 2020	<b>4,320</b>	<b>3,494</b>	<b>531,899</b>	<b>2,931</b>	<b>2,968</b>	<b>5,450</b>	<b>551,062</b>
<b>Accumulated Depreciation</b>							
At 1 January 2020	(243)	(3,200)	(228,208)	(1,945)	(2,028)	(3,624)	(239,248)
Charge for the year	(64)	(41)	(65,467)	(322)	(237)	(366)	(66,497)
Transfers out	-	-	37,736	-	-	-	37,736
Disposals	-	-	384	11	-	-	395
At 31 December 2020	<b>(307)</b>	<b>(3,241)</b>	<b>(255,555)</b>	<b>(2,256)</b>	<b>(2,265)</b>	<b>(3,990)</b>	<b>(267,614)</b>
<b>Net book amount at 31 December 2020</b>	<b>4,013</b>	<b>253</b>	<b>276,344</b>	<b>675</b>	<b>703</b>	<b>1,460</b>	<b>283,448</b>
Net book amount at 31 December 2019	4,050	294	290,688	870	783	952	297,637

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**13 Tangible assets (continued)**

The net book value of freehold land and buildings comprises:

	<b>2020</b>	2019
	<b>£000</b>	£000
Freehold buildings	<b>3,293</b>	3,330
Freehold land	<b>720</b>	720
Net book value	<b>4,013</b>	4,050

The net book value of leasehold improvements comprises:

	<b>2020</b>	2019
	<b>£000</b>	£000
Long leasehold	<b>227</b>	259
Short leasehold	<b>26</b>	35
Net book value	<b>253</b>	294

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 14 Investments

Company	2020 £000	2019 £000
At 1 January	41,785	7,026
Additions	8,743	34,759
<b>At 31 December</b>	<b>50,528</b>	<b>41,785</b>
Comprising:		
GFL Holdings Limited	8,743	-
Northern Forklift (Scotland) Limited	9,411	9,411
Balloo Hire Centre Limited	18,034	18,034
Hiremech Holdings Limited	7,314	7,314
Hitec Lift Trucks Limited	3,397	3,397
Briggs Equipment Ireland Limited	3,629	3,629
	<b>50,528</b>	<b>41,785</b>

The Company owns 100% of the ordinary share capital of GFL Holdings Limited (2019: nil%) with an investment value of £8,743,000 (2019: £nil). GFL Holdings Limited is incorporated in the United Kingdom. The address of the registered office of GFL Holdings Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW. GFL Holdings Limited owns 100% of two subsidiaries: Gwynedd Forklifts Limited and GFL Access Limited (Dormant), incorporated in the United Kingdom.

The Company owns 100% of the ordinary share capital of Northern Forklift (Scotland) Limited (2019: 100%) with an investment value of £9,411,000 (2019: £9,411,000). Northern Forklift (Scotland) Limited is incorporated in the United Kingdom. The address of the registered office of Northern Forklift (Scotland) Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW.

The Company owns 100% of the ordinary share capital of Balloo Hire Centre Limited (2019: 100%) with an investment value of £18,034,000 (2019: £18,034,000). Balloo Hire Centre Limited is incorporated in the United Kingdom. The address of the registered office of Balloo Hire Centre Limited is 31, Sydenham Road, Belfast, BT3 9DH.

The Company owns 100% of the ordinary share capital of Hiremech Holdings Limited (2019: 100%) with an investment value of £7,314,000 (2019: £7,314,000). Hiremech Holdings Limited is incorporated in the United Kingdom. The address of the registered office of Hiremech Holdings Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW. Hiremech Holdings owns 100% of its subsidiary Hiremech Limited, incorporated in the United Kingdom.

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 14 Investments (continued)

The Company owns 100% of the ordinary share capital of Hitec Lift Trucks Limited (2019: 100%) with an investment value of £3,397,000 (2019: £3,397,000). Hitec Lift Trucks Limited is incorporated in the United Kingdom. The address of the registered office of Hitec Lift Trucks Limited is Orbital 7, Orbital Way, Cannock, England, WS11 8XW.

The Company owns 100% of the ordinary share capital of Briggs Equipment Ireland Limited (2019: 100%) with an investment value of £3,629,000 (2019: £3,629,000). Briggs Equipment Ireland Limited is incorporated in the Republic of Ireland. The address of the registered office of Briggs Equipment Limited Ireland is Unit 1, Crosslands Business Park, Ballymount Road Lower, Dublin 12, Ireland, D12 C791.

All subsidiaries trade in the same sector as the parent company with the exception of Balloo Hire Centre Limited who trade within the hire of plant and tools sector to both the commercial and domestic market.

The Company, in its role as parent company to the Group, has provided a statutory guarantee to certain subsidiaries for all outstanding liabilities at 31 December 2020. This enables them to take advantage of the exemption from obtaining a signed statutory audit opinion under section 479A of the Companies Act 2006.

For the year ending 31 December 2020 the following subsidiaries were provided with a statutory guarantee:

Company	Registered Number
Gwynedd Forklifts Limited	03614948
GFL Holdings Limited	09881784
GFL Access Limited	09758061
Northern Forklift (Scotland) Limited	03911775
Balloo Hire Centre Limited	NI020540
Hiremech Holdings Limited	04483665
Hiremech Limited	03639237
Hitec Lift Trucks Limited	04293356

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**15 Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>2020 £000</b>	<b>2019 £000</b>	<b>2020 £000</b>	<b>2019 £000</b>
Service work in progress	<b>2,003</b>	1,265	<b>1,968</b>	1,220
Finished goods and goods for resale	<b>22,199</b>	26,805	<b>18,364</b>	24,186
	<b>24,202</b>	28,070	<b>20,332</b>	25,406

Inventories are stated after provisions for Group and Company impairment of Group £3,485,000 (2019: £2,357,000) and Company £2,840,000 (2019: £1,942,000) respectively.

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**16 Debtors: amounts falling due within one year**

	Note	Group		Company	
		2020 £000	2019 £000	2020 £000	2019 £000
Trade debtors		<b>57,852</b>	58,195	<b>44,724</b>	46,916
Amounts owed by Group undertakings		-	-	<b>14,617</b>	15,527
Deferred tax asset	20	<b>3</b>	51	<b>3</b>	51
Other debtors		<b>7,068</b>	3,384	<b>6,887</b>	3,120
Prepayments and accrued income		<b>2,733</b>	2,715	<b>2,434</b>	2,438
		<b>67,656</b>	64,345	<b>68,665</b>	68,052

Trade debtors are stated after provisions for impairment of Group £1,562,000 (2019: £951,000), Company £772,000 (2019: £545,000).

Amounts owed by Group undertakings are unsecured, interest free and payable on demand.

**Debtors: amounts falling due after more than one year**

	Note	Group		Company	
		2020 £000	2019 £000	2020 £000	2019 £000
Deferred tax asset	20	<b>285</b>	690	<b>269</b>	690
Other debtors		<b>419</b>	124	<b>419</b>	124
		<b>704</b>	814	<b>688</b>	814

Other debtors relate to the repurchase value of equipment which is the subject of repurchase commitments given by the Group.

<b>Total debtors</b>		<b>68,360</b>	65,159	<b>69,353</b>	68,866
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**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**17 Creditors: amounts falling due within one year**

	Note	Group		Company	
		2020 £000	2019 £000	2020 £000	2019 £000
Trade creditors		<b>35,044</b>	35,052	<b>26,179</b>	28,257
Amounts owed to Group undertakings		<b>46</b>	48	<b>46</b>	48
Taxation and social security		<b>11,813</b>	5,488	<b>10,443</b>	3,729
Other borrowings	18	<b>9,222</b>	10,230	<b>502</b>	1,429
Accruals and deferred income		<b>29,233</b>	30,317	<b>27,188</b>	27,070
		<b>85,358</b>	81,135	<b>64,358</b>	60,533

Non financing amounts payable to Group undertakings are typically settled monthly. Amounts owed to parent undertakings are unsecured, interest free and payable on demand.

**Creditors: amounts falling due after more than one year**

	Note	Group		Company	
		2020 £000	2019 £000	2020 £000	2019 £000
<b>Amounts falling due between one and five years</b>					
Amounts owed to Group undertakings		<b>14,044</b>	13,828	<b>14,044</b>	13,828
Other borrowings	18	<b>12,217</b>	12,052	<b>776</b>	1,220
Asset backed borrowings	18	<b>193,711</b>	224,337	<b>187,759</b>	223,223
Accruals and deferred income		<b>420</b>	124	<b>419</b>	124
		<b>220,392</b>	250,341	<b>202,998</b>	238,395

**Amounts falling due after more than 5 years**

Other borrowings	18	-	89	-	80
		<b>220,392</b>	250,430	<b>202,998</b>	238,475

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 17 Creditors: amounts falling due after more than one year (continued)

Amounts owed to group undertakings falling due between one and five years represents unsecured interest bearing affiliated company loans which are repayable on 12 June 2024. Interest rates are advised by the ultimate Parent Company and aligned to LIBOR.

Accruals and deferred income relates to the Group's repurchase of assets funded through third party finance houses. The Group is not legally obliged to settle finances on some assets, however as the Group tends to settle these obligations in most circumstances, an appropriate obligation has been recognised.

#### 18 Loans and other borrowings

	Group		Company	
	2020 £000	2019 £000	2020 £000	2019 £000
Asset backed borrowings	193,711	224,337	187,759	223,223
Other borrowings	21,439	22,371	1,278	2,729
	215,150	246,708	189,037	225,952

Asset backed borrowings of £193,711,000 (2019: £224,337,000) represent amounts drawn under the Group's secured credit facility, net of unamortised issue costs of £2,312,000 (2019: £2,429,000). The debt is subject to covenants based on Group EBITDA in relation to the level of borrowing and headroom. The facility, which was entered into in December 2019, expires in December 2024 and has an effective interest rate of 1.9% plus LIBOR. The borrowings are secured on rental fleet assets, inventory and trade receivables.

Other borrowings of £21,439,000 (2019: £22,371,000) represent amounts due under a sale and leaseback transaction secured on certain of the Group's rental fleet assets and a segregated cash balance which has been accounted for as secured debt (2020: £1,278,000 (2019: £2,729,000)), along with hire purchase agreements in place at Briggs Equipment Ireland Limited, Hitec Lift Trucks Limited, Hiremech Limited, Balloo Hire Centre Limited, Northern Forklift (Scotland) Limited and Gwynedd Forklifts Limited (2020: £20,161,000 (2019: £19,642,000)).

**Briggs Equipment UK Limited****Notes to the financial statements  
for the year ended 31 December 2020 (continued)****19 Provisions for liabilities**

<b>Group</b>	<b>Restructuring Dilapidations</b>		<b>Deferred</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>Tax £000</b>	<b>£000</b>
At 1 January 2020	-	-	1,808	1,808
Charge for the year	1,126	940	194	2,260
Acquisitions	-	-	539	539
Amounts utilised	(1,014)	-	-	(1,014)
<b>At 31 December 2020</b>	<b>112</b>	<b>940</b>	<b>2,541</b>	<b>3,593</b>

Dilapidation provision relates to property leasing arrangements where there is an obligation to repair damages incurred during the life of the lease, such as wear and tear. The cost is charged to the profit and loss as the obligation arises. The provision is expected to be utilised between 2021 and 2024 as the lease terminates.

Due to the difficulties in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision is considered a source of significant estimation uncertainty. The provision relates to Maidenhead and it has been calculated following an independent review of the existing defects and possible repairs and reinstatement works required to the property on an elemental basis, which might legitimately be claimed for under a schedule of dilapidations on the termination of the lease. The directors consider the possible range of dilapidations provision at 31 December 2020 to between £800,000 and £1,100,000. The most likely amount within this range, £940,000, has been recognised in the statement of financial position.

At the end of 2020 the Group ran a voluntary early retirement scheme in conjunction with a small number of redundancies following some restructuring activities. The remaining employees will be paid in 2021 as their employment is terminated.

The net deferred tax liability is due to the reversal of timing differences on tangible fixed assets.

<b>Company</b>	<b>Restructuring Dilapidations</b>		<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2020	-	-	-
Charge for the year	995	940	1,935
Amounts utilised	(883)	-	(883)
<b>At 31 December 2020</b>	<b>112</b>	<b>940</b>	<b>1,052</b>

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**20 Deferred tax**

Deferred tax consists of the following deferred tax assets:

	<b>2020</b>	2019
	<b>£000</b>	£000
Decelerated capital allowances	269	700
Other timing differences	19	41
<b>Total deferred tax - asset</b>	<b>288</b>	741

The Group has a deferred tax asset in Briggs Equipment Ireland Limited for losses carried forward of £656,000 (2019: £363,000).

	<b>2020</b>
	<b>£000</b>
As at 1 January 2020	741
Charged to profit and loss account	(329)
Balance transferred from a liability	(124)
<b>As at 31 December 2020</b>	<b>288</b>

Deferred tax consists of the following deferred tax liabilities:

	<b>2020</b>	2019
	<b>£000</b>	£000
Accelerated capital allowances	2,541	1,808
<b>Total deferred tax - liability</b>	<b>2,541</b>	1,808

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 20 Deferred tax (continued)

	<b>2020 £000</b>
As at 1 January 2020	1,808
Acquisitions	539
Net effect to total comprehensive income	318
Balance transferred to an asset	(124)
<b>As at 31 December 2020</b>	<b>2,541</b>

There are no unused tax losses or unused tax credits.

The net deferred tax liability expected to reverse in 2021 is £3,000. This primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

#### 21 Called up share capital

<b>Group and Company</b>	<b>No.</b>	<b>£000</b>
Authorised equity shares of £1 each		
At 1 January 2020	97,400,000	97,400
Shares issued in 2020	18,000,000	18,000
<b>31 December 2020</b>	<b>115,400,000</b>	<b>115,400</b>
Allotted and fully paid ordinary shares of £1 each		
At 1 January 2020	97,400,000	97,400
Shares issued in 2020	18,000,000	18,000
<b>At 31 December 2020</b>	<b>115,400,000</b>	<b>115,400</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

A total of 18,000,000 new shares were allotted at par on 28 September 2020 for a cash consideration of £18,000,000; the proceeds being used to fund the acquisition of GFL Holdings Limited and support the Group during the COVID-19 pandemic. All shares were issued to the Company's immediate parent Company.

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**22 Notes to the statement of cash flows**

Cash flow from operating activities is as follows:

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Profit for the financial year</b>	<b>1,679</b>	3,514
Adjustments for:		
Other comprehensive income	<b>458</b>	(506)
Tax on profit	<b>2,608</b>	3,473
Net interest expense	<b>6,303</b>	8,254
<b>Operating profit</b>	<b>11,048</b>	14,735
Amortisation of intangible fixed assets	<b>3,993</b>	3,295
Depreciation of tangible fixed assets	<b>75,794</b>	69,856
Profit on disposal of tangible fixed assets	<b>(19)</b>	(100)
Profit on disposal of rental equipment	<b>(3,004)</b>	(2,632)
Working capital movements:		
- Decrease in inventories	<b>1,659</b>	81
- Increase in debtors	<b>(1,032)</b>	(4,940)
- Increase/(decrease) in payables	<b>10,485</b>	(2,451)
<b>Cash flow from operating activities</b>	<b>98,924</b>	77,844

Analysis of changes in net debt is as follows:

	<b>At 1</b>	<b>Cash</b>	<b>Non-cash</b>	<b>At 31</b>
	<b>Jan 2020</b>	<b>flows</b>	<b>flows</b>	<b>Dec 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash and equivalents	4,512	1,448	-	<b>5,960</b>
Inter-company loans	(13,829)	(215)	-	<b>(14,044)</b>
Asset backed borrowings	(224,337)	31,213	(587)	<b>(193,711)</b>
Other borrowings	(22,371)	3,253	(2,321)	<b>(21,439)</b>
<b>Total</b>	<b>(256,025)</b>	<b>35,699</b>	<b>(2,908)</b>	<b>(223,234)</b>

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 23 Financial instruments

The Group has the following financial instruments:

	<b>2020</b>	2019
	<b>£000</b>	£000
<hr/>		
Financial assets that are debt instruments measured at amortised cost:		
Trade receivables	<b>57,852</b>	58,195
Other receivables	<b>7,487</b>	3,508
	<b>65,339</b>	61,703
<hr/>		
Financial liabilities measured at amortised cost:		
Asset backed borrowings	<b>193,711</b>	224,337
Other borrowings	<b>21,439</b>	22,371
Trade creditors	<b>35,044</b>	35,052
Amounts owed to Group undertakings	<b>14,090</b>	13,876
	<b>264,284</b>	295,636
<hr/>		

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 23 Financial instruments (continued)

The Company has the following financial instruments:

	2020 £000	2019 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade receivables	44,724	46,916
Other receivables	7,306	3,244
Amounts owed by Group undertakings	14,617	15,527
	<b>66,647</b>	<b>65,687</b>
Financial liabilities measured at amortised cost:		
Asset backed borrowings	187,759	223,223
Other borrowings	1,278	2,729
Trade creditors	26,179	28,257
Amounts owed to Group undertakings	14,090	13,876
	<b>229,306</b>	<b>268,085</b>

#### 24 Derivative financial instruments

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 December 2020, the outstanding contract matures within 1 month of the year end. The Group is committed to buy €6,000,000 (2019: €5,780,800) and pay a fixed sterling amount of £5,633,800 (2019: £5,138,000).

The Group entered into an interest rate hedge contract to mitigate the risk of changes to interest rates. The contract commenced on 26 February 2020 and expires on 31 December 2022. At 31 December 2020, the notional amount hedged was £94,750,000 with a market value of £2,000.

**Briggs Equipment UK Limited****Notes to the financial statements  
for the year ended 31 December 2020 (continued)****25 Capital and other commitments**

At 31 December the Group had the following capital commitments:

	<b>2020</b>	2019
	<b>£000</b>	£000
Contracts for future capital expenditure not provided in the financial statements – <i>property, plant and equipment</i>	<b>31,261</b>	33,369

At 31 December the Company had the following capital commitments:

	<b>2020</b>	2019
	<b>£000</b>	£000
Contracts for future capital expenditure not provided in the financial statements – <i>property, plant and equipment</i>	<b>27,400</b>	31,169

The Group had the following future minimum lease payments payable under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	2019
	<b>£000</b>	£000
Payments due:		
Not later than one year	<b>4,706</b>	4,965
Later than one year and not later than five years	<b>10,922</b>	8,741
Later than five years	<b>13,905</b>	14,319
	<b>29,533</b>	28,025

**Briggs Equipment UK Limited**

**Notes to the financial statements  
for the year ended 31 December 2020 (continued)**

**25 Capital and other commitments (continued)**

The Company had the following future minimum lease payments payable under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	2019
	<b>£000</b>	£000
Payments due:		
Not later than one year	<b>4,060</b>	4,419
Later than one year and not later than five years	<b>9,220</b>	7,921
Later than five years	<b>13,310</b>	13,655
	<b>26,590</b>	25,995

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 26 Leasing agreements

The Group had the following future minimum lease receivables under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Amounts receivable due:		
Not later than one year	103,498	99,212
Later than one year and not later than five years	182,917	186,635
Later than five years	18,531	17,679
	<b>304,946</b>	<b>303,526</b>

The Company had the following future minimum lease receivables under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Amounts receivable due:		
Not later than one year	98,684	97,505
Later than one year and not later than five years	172,814	183,070
Later than five years	18,300	17,653
	<b>289,798</b>	<b>298,228</b>

## Briggs Equipment UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 27 Acquisitions

On 9 October 2020, the Company acquired 100% of the share capital of GFL Holdings Limited, a company located in the United Kingdom with two wholly 100% owned subsidiaries: Gwynedd Forklifts Limited and GFL Access Limited (Dormant).

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition along with their associated fair values.

	Book Value	Fair Value Adjustments	Fair Value
	£000	£000	£000
Tangible assets	7,085	-	7,085
Current assets:			
Stocks	70	(21)	49
Debtors	2,239	(69)	2,170
Cash	773	-	773
<b>Total assets</b>	<b>10,167</b>	<b>(90)</b>	<b>10,077</b>
Creditors: amounts falling due within one year	(1,583)	(16)	(1,599)
Creditors: amounts falling due more than one year	(2,444)	-	(2,444)
<b>Net assets acquired</b>	<b>6,140</b>	<b>(106)</b>	<b>6,034</b>
Goodwill			2,709
<b>Cash consideration</b>			<b>8,743</b>

Fair value adjustments in respect of all asset classes relate to the alignment to Group policy.

The cash consideration includes directly attributable expenses of £82,000.

For the period of 10 October 2020 to 31 December 2020, GFL Holdings Limited (consolidated) contributed revenue of £1,499,000 and a profit before tax of £191,100 to the Group's results.

## **Briggs Equipment UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **28 Related party transactions**

The Group has taken advantage of the exemption contained within FRS 102 and not disclosed transactions or balances with companies that are fellow wholly owned subsidiaries of Sammons Enterprises Inc.

#### **29 Controlling parties**

The immediate parent undertaking is Briggs UK Holdings Inc., a Company incorporated in the United States of America.

The ultimate parent undertaking, controlling party and smallest and largest group to consolidate these financial statements is Sammons Enterprises Inc., a Company incorporated in the United States of America.

#### **30 Post balance sheet events**

On 7 April 2021, the Group completed the acquisition of 100% of the share capital of Balloo Hire Limited, operating in the Republic of Ireland.

On 7 April 2021, the Group completed the acquisition of 100% of the share capital of Laois Hire Services Limited, operating in the Republic of Ireland.

On 1 June 2021, the Group commenced a joint venture, AmeyBriggs, with Amey Community Limited a subsidiary of Amey PLC to provide Materials Handling and Construction equipment and services to the UK Ministry of Defence for an initial contract period of seven years with options for the customer to extend through three annual one year extensions.

On 18 June 2021, the Group completed the acquisition of 100% of the share capital of J.B. Plant Hire Limited and J.B. Plant Hire (Dungannon) Limited, operating in Northern Ireland.